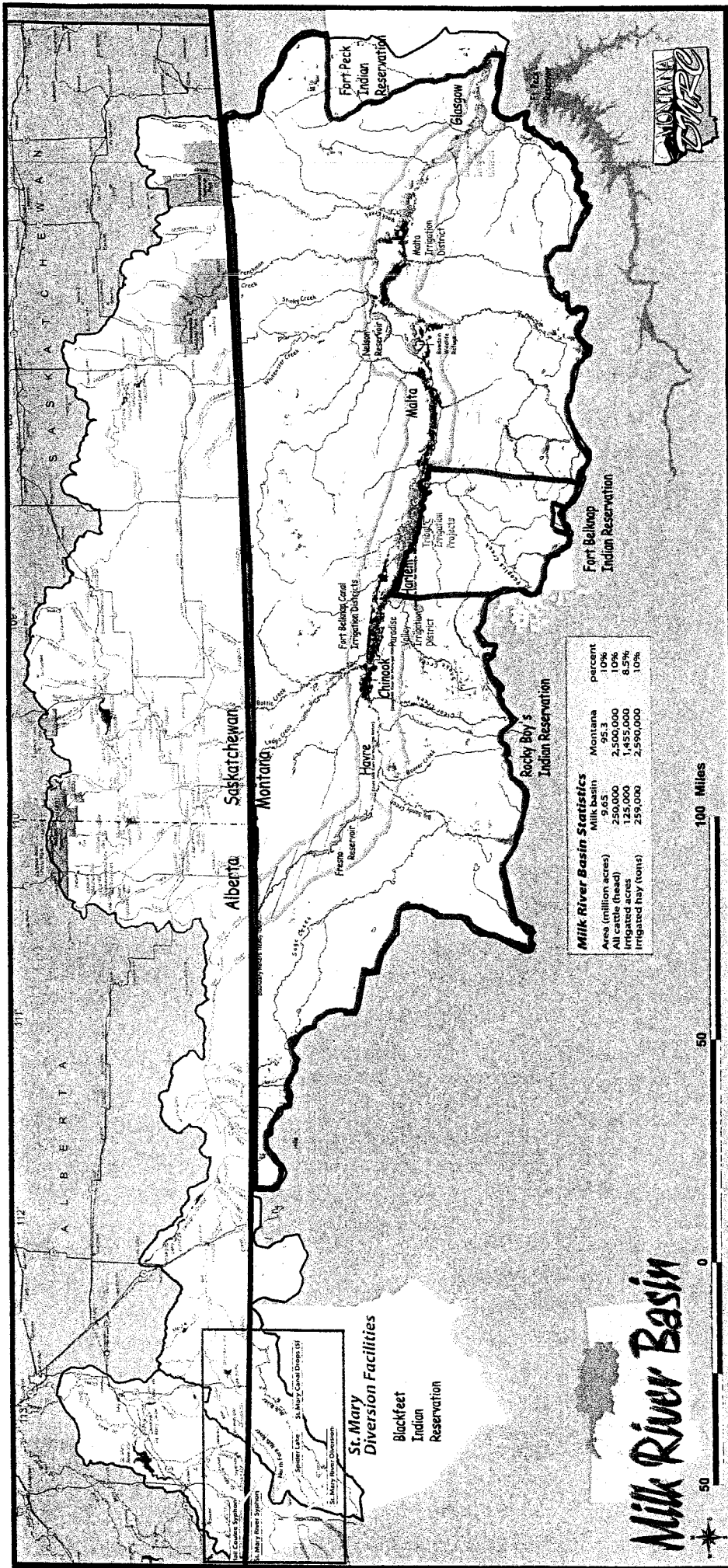


Life Line of the Hilline



SENATE LOCAL GOVERNMENT
EXHIBIT NO. 1
DATE 1.21.03
BILL NO. SB8

Milk River Basin - Regional Resource Authority Initial Boundaries

Red line = Potential Regional Resource Authority Boundary
Green line = St. Mary Milk River Beneficial Water Users Boundary

St Mary - Milk River Projects

Statement of issue –

**As agreed by the
St. Mary Rehabilitation Working Group**

- 1. Lack of a dependable supply of water.**
- 2. Current lack of funding/financing to rehabilitate St. Mary - Milk River Project infrastructure.**
- 3. Lack of enforceable water management on the Milk River.**

The need for forming the Milk River Basin - Regional Resource Authority

The Milk River Project, authorized in 1903 under the 1902 Reclamation Act was constructed for the single purpose of providing a stable source of water for irrigation in the lower Milk River Valley, and contributes significantly to the economic and societal stability of the Hi-Line region of Montana.

1) The Milk River Project has evolved into a Multiple Use Project

- a) The Milk River Project continues to significantly enhance the environment of northern Montana and provides public values unforeseen at the time of authorization.
- b) The Milk River is an intermittent stream and the inter-basin transfer of water from the St. Mary River into the Milk River is essential to a dependable flow of water serving a diversity of downstream interests.
- c) Presently, over 150,000 acres of land are being irrigated in the Milk River Valley, and this project has transformed an **intermittent stream** into a live river and a semi-arid valley into an oasis of vegetation, producing high value cash crops and winter feed for over 250,000 head of livestock.
- d) The communities of Havre, Chinook, Harlem, and the Ft. Belknap Reservation depend on the Milk River for municipal and industrial water.
- e) Three major storage reservoirs represent significant fisheries, recreation areas and waterfront cabin sites. Bowdoin National Wildlife Refuge would dry up without "Project" water.
- f) Healthy Cottonwood forests, numerous wetlands, and several hundred miles of healthy riparian habitat are attributable to the Milk River Irrigation Project.
- g) An abundance of sport fish and numerous listed species inhabit the Milk River and depend on "Project" water for perennial in-stream-flow and survival, representing an incidental benefit of the project that needs to be addressed. The famed "Milk River Whitetail", Ringneck Pheasants, Wild Turkey, a diversity of waterfowl, and numerous other species of game and fur bearing animals attract sportsmen from around the nation.

2) Milk River farms and ranches have been discovered!

- a) Basin farms are being sought after as investment properties, and thousands of acres of prime irrigated lands have recently sold to nonresident interests. Some of the new owners are leasing land back to area ranchers and some lands are being reserved for recreation and conversion to "created wetlands". Regardless of the use, they all continue to require water and add to the diversity of interests in the basin.

3) The value of Milk River irrigated farmland has quadrupled during the past fifteen years.

- a) The Montana Dept. of FWP operates WMAs, holds and continues to acquire conservation easements on thousands of acres of land, appropriating millions of dollars for Milk River Valley habitat.
- b) The Milk River Project infrastructure has deteriorated significantly in recent years and no longer provides a reliable supply of water.
- c) Eight existing irrigation districts have failed to effectively update and maintain the infrastructure of the Milk River Project and have compromised their fiduciary responsibility to the irrigators and residents of the Milk River Valley.

4) Near term failure of the system is predicted, and will likely result in disaster for over 800 family farms and ranches and the economic viability of northern Montana;

- a) Two countries, two reservations, four municipalities, eight irrigation districts, over 150 individual irrigation pump sites (BOR Contracts, and State of Montana permits), Bowdoin National Wildlife Refuge, numerous livestock watering rights, recreational interests, fish and wildlife values (including numerous "listed" species) are all competing for an over appropriated supply of water, without centralized governance to enforce the allocation and distribution of water in an orderly, equitable, and efficient manner.

5) The viability of the project is impaired;

- a) By fragmented authority and management of the system. Without new thinking and comprehensive change, the Milk River Project will fail, and this productive valley will become a memory.

- b) Short of intervention and placement of an impartial regulatory body, the diverse interests of the basin do not have the capacity to rehabilitate, operate, and maintain this important river system.

In recognition of the significance of the Milk River Project to the Hi-Line and the State of Montana, it is vitally important that we give full consideration to establishing a Milk River Basin Regional Resource Authority to:

- ***Insure the future viability of the Milk River Project***
- ***Protect the integrity of the Boundary Waters Treaty of 1909***
- ***To insure appropriate diversion, storage, and equitable distribution of water from the St. Mary River and the natural flow of the Milk River in an orderly and efficient manner***
- ***To the mutual benefit of the entire basin.***